



U.S. SENATE BANKING COMMITTEE

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DODD RESPONDS TO ADMINISTRATION'S HOUSING PROPOSAL

Washington, D.C. – Senator Chris Dodd (D-CT), Chairman of the Senate Banking Committee, today made the following remarks in response to President Bush's new housing proposal:

“Our nation’s economic foundation has been severely damaged by this housing crisis, with record foreclosures announced just today. For the Administration, already late in addressing this crisis, to put forth an agreement that amounts to little more than financial wallpaper is insufficient to say the least. The fact that not one homeowner captured by today’s delinquency and foreclosure data would be helped by this agreement proves that in no uncertain terms.

“This agreement is a step back from principles agreed to by lenders and servicers at the Homeowners Preservation Summit I convened last April. It shuts out hundreds of thousands of borrowers who are either in, or shortly will be facing, default in 2007 because of the abusive exploding ARM loans they were sold. These homeowners are no less deserving of a helping hand. This agreement also does not put in place a process to allow loan modifications that will help the maximum number of homeowners obtain mortgages that they can afford over the life of their loans – not just for a few years. This leaves the door wide open to servicers to continue their foot-dragging while more and more Americans lose their homes. Finally, there appears to be no effort by the Bush Administration to hold lenders and servicers accountable for the agreements they make, so we know who is living up to their commitments and who is not.

“The Administration had a golden opportunity to push for a comprehensive agreement to address this crisis. Sadly, they settled for less than they should – or could -- have achieved. The Administration has squandered valuable time. I’d urge them to use this agreement as the floor and not the ceiling and to press for a more comprehensive plan to address this crisis.”